

# Exhibit 13

UFC Finances\_ Moody's reports a big 2015  
for Zuffa - Bloody Elbow



Bloody Elbow, for MMA and UFC news

# UFC Finances: Moody's reports a big 2015 for Zuffa

24

*Moody's reports that the UFC saw a big increases last year in their pay-per-view sales, revenues, and earnings.*

By **John S. Nash** | Feb 15, 2016, 8:00am EST



Jayne Kamin-Oncea-USA TODAY Sports

The new Moody's Credit Opinion for Zuffa, LLC was released last week and reveals a marked improvement in their finances for 2015 compared to what was reported for 2014.

According to Moody's, for the last twelve months for the period ending 9/30/2015, Zuffa's revenues were \$535 million. In the first nine months of last year, the company saw its earnings before interest, taxes, depreciation, and amortization (EBITDA) increase 64% on the back of a 104% increase in pay-per-view revenue from the prior year.

Since this doesn't include the last 3 months of the year, which included the two biggest events of 2015 - **UFC 193** and **UFC 194** - the final numbers for year ending December 31 should be even better. In fact, **Lorenzo Fertita has said publicly that revenues will top \$600 million.**

Moody's also reported that as of the third Quarter for 2015, the debt-to-EBITDA ratio was 3.53X with the amount currently outstanding on the long term loan standing at \$467 million and nothing having been drawn from the \$60 million revolving credit facility. Based on these figures, this should translate to an EBITDA of \$132 million for the first nine months of 2015.

Interest coverage was also reported as 6x, which comes out to around \$22 million in annual interest payments on the loans. Moody's expects that most of Zuffa's free cash flow will be used to pay dividends to the shareholders, with \$51 million having been paid out in the first nine months of 2015.

This is a significant improvement over the previous year. According to Moody's, the UFC saw a 13% decline in revenues in 2014. This was blamed on "numerous injuries which resulted in fewer marquee fights and one less PPV event" which resulted in "lower PPV buys and PPV event ticket sales." Because of this decrease in sales coupled with expenses remaining at the previous 2013 levels, EBITDA was reported to have declined by 44% from 2013 to 2014 while the debt-to-EBITDA leverage ratio ended the year at 5.8x (for an EBITDA of approximately \$82 million based on an outstanding debt of \$472 million). Dividend payments to shareholders was reported as \$44 million for 2014.

The UFC's increased fortunes in 2015 were credited to a turnaround in pay-per-view events. "Pay per view revenue," Moody's wrote, "benefited from one additional event held compared to the prior year (10 events YTD through Q3 2015), more marquee events with fewer injuries to key fighters, and an increase in the price of pay per view content." UFC revenues also benefited from a growth in number of tickets sold to live events, higher ticket prices, growth in the UFC Fight Pass, and an increase in both domestic and international TV rights fees.

According to Moody's, Zuffa holds its position in the world of mixed martial arts thanks in part to high barriers to entry, growing fan interest and loyalty to the UFC, brand strength, and the large pool of contractually bound fighters. Moody's also "expect Zuffa's growth prospects will be good going forward. In our view, this growth will come from the increased

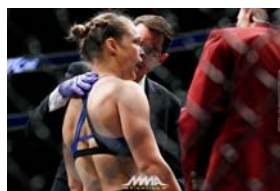
monetization of its content and brand through various distribution channels such as already contracted domestic TV rights, video game sales through its partnership with EA Sports which includes minimum guarantees, digital media, merchandising and greater PPV revenue splits." The UFC is expected to further benefit from higher tv content contracts after existing deals - such as those with Fox in the U.S. and Globo and Globosat in Brazil - expire, and the continued growth of Fight pass.

While the UFC continues to expand and diversify its revenue sources, Zuffa remains, in Moody's opinion, heavily dependent upon PPV event related revenues. Moody's notes a need for stars "like Conor McGregor and **Ronda Rousey** to help drive revenue growth" and that the "retirement by high profile fighters without a comparable replacement could impact growth rates."

In addition to the possible cyclical economic downturns affecting the UFC's outlook, Moodys notes the pending class action antitrust lawsuit as having the potential to impact the UFC's "profitability and operations." In regards to Bellator and others sports programming, they expect them to have only a moderate levels of disruption on the UFC's business.

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